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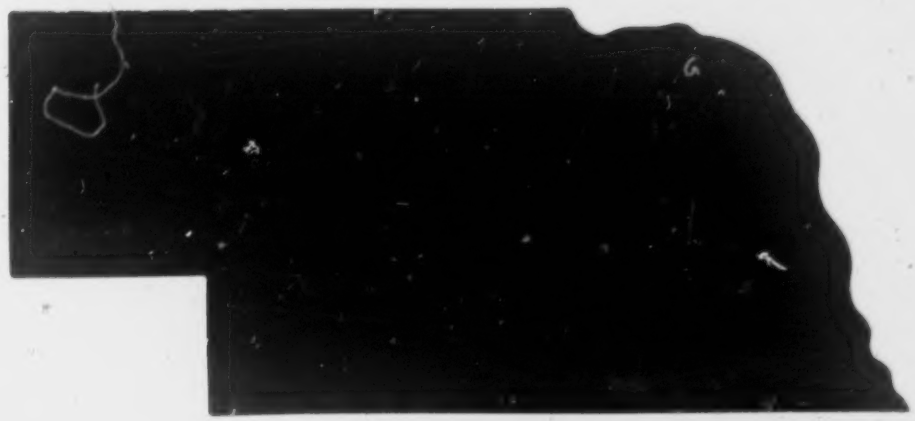
NASIS



NEBRASKA ANNUAL SOCIAL INDICATORS SURVEY

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NASIS-82, #7

SOCIAL SECURITY AND GOVERNMENT SPENDING:

THE ELDERLY SPEAK OUT

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PRICE: $ .75

The Nebraska Annual Social Indicators Survey

Helen A. Moore - 1982 Study Director

The findings in this report are based on data collected in the sixth Nebraska Annual Social Indicators Survey (NASIS). This survey is part of an on-going study of the quality of life in Nebraska conducted by the Bureau of Sociological Research at the University of Nebraska-Lincoln.

The sample for NASIS consists of 1907 respondents eighteen years of age or older residing in households in Nebraska. The sample is selected through a process called random digit dialing: within each three-digit prefix in the state, four-digit numbers are selected randomly from all possible four-digit numbers to complete the telephone number. Respondents are further chosen randomly from the adults in the household and interviewed by telephone by experienced, professional interviewers from the offices of the Bureau of Sociological Research. All interviewing was done between February and April of 1982. This procedure produces a high-quality, representative sample of Nebraska adults. Analysis shows the sample to be representative of the state on age, sex, race, and geographical distribution.

The interview averaged approximately 47 minutes and included questions about energy use, health, recreation, political attitudes, occupation, education, family life, and other matters reflecting the quality of life experienced in the state. For the entire sample, the chances are 95 in 100 that the true value for the population lies within a range equal to the reported survey percentage plus or minus 2.24 percent. This is an estimate of maximum error and for most items the percentages are likely to be even more accurate.

The data gathered by NASIS are used by a wide variety of State and local government agencies for policy and program planning and by faculty and students at the University of Nebraska and other colleges for research. No information identifying any respondent is released to any user and the strict confidentiality of individual respondents is rigidly enforced. While the final responsibility for the organization and structure of the survey and for reports produced under its name rests with the Bureau of Sociological Research, public agencies and University departments play an integral part in planning the survey through an Advisory Committee. Public organizations interested in membership on the Advisory Committee should contact the NASIS Study Director.

Funding for NASIS comes from the University of Nebraska, the Bureau of Sociological Research and State and local agencies which buy items and data analysis from the survey.

The NASIS surveys are repeated each year to measure changes in the quality of life in Nebraska. While there is a core of questions which is included every year, each survey has a large component of unique items which address specific topical issues. Plans for future years include reinterviewing the 1977 panel every two years to assess changes in their lives. Additional detail on the NASIS surveys regarding use of the survey data or cost of purchasing items on future surveys can be obtained by contacting the NASIS Study Director at the Bureau of Sociological Research or by sending for a copy of the 1983 NASIS Prospectus.

Over the course of the last few years, much concern has been voiced about the stability of the social security system and patterns of governmental spending in the United States. The elderly, as a group, are particularly affected by changes made within these systems. Out of a random sample of 1907 households obtained in the 1982 NASIS Survey, 376 of the respondents were 65 years of age or older. This report focuses on this group of elderly Nebraska residents and outlines issues pertinent to social security and attitudes of the elderly toward government spending.[1]

Social Security

A vast majority (81 percent) of the elderly in this sample are or were in jobs covered by social security. This group includes 74 percent of the women and 96 percent of the men. When asked about the purpose of social security, 42 percent indicated that they felt it should provide for basic needs and obligations of retired people; while 55 percent indicated that social security should only supplement other sources of income (see Table 1).

Much controversy has surrounded the issue of the social security earnings test. Table 2 includes the percentage of respondents who felt that the social security earnings test should be eliminated because "social security benefits have been bought and paid for". Fifty-five percent of the elderly respondents agreed with this statement while 42 percent felt that the earnings test should be maintained because the benefits are intended to replace lost income and the earnings test provides a measure of income loss. However, as shown in Table 3, 47 percent of elderly respondents mildly or strongly opposed

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[1]The attitudes of the general population towards social security are addressed in NASIS-82, Report #2.

eliminating the social security earnings test for people over 65.

Respondents were then asked whether social security taxes should be increased or benefits reduced to stabilize the system. As can be seen in Table 3, there were some important differences between male and female respondents; whereas, 55 percent of the elderly male respondents strongly or mildly favored an increase in social security taxes, 62 percent of the elderly women respondents opposed an increase in the taxes. However, the majority of both men and women oppose the lowering of social security benefits as an alternative to increasing taxes (86% men:87% women). Fifty percent of the men and 54 percent of the women favored increasing social security taxes. None of the elderly respondents in this sample were in favor of eliminating social security altogether. When asked if they would choose to be in the social security system and pay taxes or get out of it and not pay taxes, 88 percent indicated that they would choose to stay in the system and pay the social security taxes (see Table 4.)

Only 3 percent of the elderly sample indicated they had no confidence in the future stability of the social security system (see Table 5). Overall, 64 percent indicated that they had either complete confidence or a great deal of confidence in the stability of social security. It should be noted that the vast majority of the elderly interviewed are not currently employed (approximately 82 percent of this sample) and therefore do not pay social security taxes. Additionally, the long range financial problems of the social security system may be of less concern to those already retired.

Views on Government Spending

Government spending cuts and increased taxes outside of social security are also of great concern to elderly citizens since many are living on fixed incomes, may be utilizing government social programs or anticipate using them in the future. When asked whether they prefer increased state taxes or reduced services, the majority of the elderly indicated they prefer reduced services with 28 percent indicating this mildly and 34 percent giving this strong support (see Table 6). When asked what type of tax increases they do favor, 84 percent favored raising alcohol and tobacco taxes and 59 percent favored raising state sales tax (see Table 7). Sixty-eight percent were opposed to raising state gas tax, and 84 percent were opposed to raising property taxes. This is not surprising, given that many of the elderly have substantial investment in their homes. Therefore, ranked from most favored to most opposed, the elderly chose: alcohol and tobacco tax, state sales tax, state income tax, state gas tax, and property tax. No significant differences were found between male and female respondents in their order of priority.

In Table 8, a list of government programs were specified and elderly respondents indicated whether they felt more should be spent on that program, the same should be spent, or less should be spent (see Table 9). The top programs receiving support from the elderly for more funding included law enforcement (43%), industrial growth (42%), programs for the poor (34%), and programs for the elderly (34%). Women favored more spending on law enforcement, industrial growth, and programs for the elderly, respectively, whereas, men favored more

spending on industrial growth, programs for the poor, and law enforcement, respectively. It should be noted that no program received support for more funding from a majority of respondents reinforcing the earlier finding that the elderly do not generally support increased services if taxes must be raised to do this.

Summary

Overall, some 81% of NASIS elderly respondents are or were in jobs covered by social security. Forty-two percent of the elderly felt that social security should provide for the basic needs and obligations for retired people; whereas, 55% felt that it should only supplement other sources of income. The majority (55%) felt that the earnings test should be eliminated since social security benefits have been "bought and paid for". When asked about increasing social security taxes and lowering benefits, 55% of the elderly men favored increased taxes; whereas, 62% of the elderly women opposed increased taxes. Eighty-seven percent of both men and women opposed lowering benefits. Overall, the majority of the elderly in this study indicated they had confidence in the stability of the social security system.

In terms of government spending, the majority of the elderly preferred to reduce services rather than to increase taxes. If taxes were to be increased, the elderly favored increasing alcohol and tobacco tax and opposed increasing property tax and state gas tax. Female respondents favored spending more public funds on (1) law enforcement, (2) industrial growth, and (3) programs for the elderly. In contrast, male respondents favored (1) industrial growth, (2) programs for the poor and, (3) law enforcement. As the population size of elderly Nebraskans continues to expand, their voice in state funding levels and program priorities may be heard more strongly.

Table 1.

Elderly Nebraskans: The Purpose of Social Security.

Purpose	Percent Male Agreement	Percent Female Agreement	Total
Provide enough money to meet basic needs and obligations of retired people.	46.8	40.1	42.2
Only supplement other sources of income to meet basic needs and obligations.	48.9	57.9	55.2
Neither	4.3	1.9	2.6
Respondent N	47	107	154

Table 2.

Support of Elderly Nebraskans for Social Security Earnings Test.

	Percent Male Agreement	Percent Female Agreement	Total
Eliminate because social security benefits have been "bought and paid for" and it is unfair to withhold benefits just because the recipient continued to work.	47.6	68.2	54.9
Maintain because social security benefits are to replace lost income, and the earnings test provides a measure of whether a loss of income has actually occurred.	47.6	39.6	42.1
Neither	4.8	2.2	3.0
Respondent N	42	107	133

Table 3.

Attitudes of Nebraska's Enderly Toward Social Security Issues.

ISSUES	MALES				FEMALES				TOTAL			
	Strong Favor	Mildly Favor	Mildly Oppose	Strong Oppose	Strong Favor	Mildly Favor	Mildly Oppose	Strong Oppose	Strong Favor	Mildly Favor	Mildly Oppose	Strong Oppose
Eliminate social security earnings test for people over 65.	40.0	13.3	22.2	24.4	34.8	18.0	28.1	19.1	36.6	16.4	26.1	20.9
Should social security taxes be increased?	27.3	27.3	15.9	29.5	7.2	30.9	33.0	28.9	13.5	29.8	27.7	29.1
Should we lower social security retirement benefits instead of increasing taxes?	2.4	11.9	33.3	52.4	4.8	8.6	25.7	61.0	4.1	9.5	27.9	58.5
Should recipient's age be increased to 68?	23.9	26.1	15.2	34.8	23.1	30.6	15.7	30.6	23.4	29.2	15.6	31.8
Should social security be ended?	0.0	0.0	9.6	90.4	0.0	0.0	7.8	92.2	0.0	0.0	8.4	91.6

Table 4.

Male and Female Respondent's Choice to Participate in Social Security.

If one could choose to be in or out of social security, would you choose to be in or out?

Choice	Male	Female	Total
Be in social security	89.4	87.0	87.7
Get out of social security	10.6	13.0	12.3
Respondent N	47	108	155

Table 5.

Confidence of Elderly in the Future Stability of Social Security.

Confidence	Male	Female	Total
Complete confidence	39.2	28.6	31.9
Great deal of confidence	31.4	33.0	32.5
Little confidence	23.5	33.9	30.7
No confidence	3.9	2.7	3.1
Not eligible	2.0	1.8	1.8
Respondent N	51	112	163

Table 6.

Elderly Attitudes Toward Raising State Taxes as Opposed to Reducing Services (N = 308).

Attitude	Total
Strongly favor raising taxes	7.1
Somewhat favor raising taxes	16.2
Somewhat favor reduced services	27.9
Strongly favor reduced services	34.4
Other	14.3

Table 7.

Order of Preference Among Elderly for Increasing Types of State Taxes.

Taxes	Percent
Raising Alcohol and Tobacco Tax	
Favor	84.1
Oppose	14.8
Depends	1.2
Respondent N	345
Raising State Sales Tax	
Favor	59.1
Oppose	36.2
Depends	4.7
Respondent N	337
Raising State Income Tax	
Favor	46.4
Oppose	48.0
Depends	5.6
Respondent N	319
Raising State Gas Tax	
Favor	28.1
Oppose	68.2
Depends	3.7
Respondent N	324
Raising Property Taxes	
Favor	12.7
Oppose	83.7
Depends	3.6
Respondent N	332

Table 8.

Percent of Elderly Respondents Favoring Greater Spending Programs.

Programs	Male	Female	Total
Environmental Programs	13.8	5.3	8.4
Respondent N	109	188	297
Programs for the Poor	38.5	31.4	33.9
Respondent N	109	210	319
Public Schools	16.8	18.4	17.8
Respondent N	113	207	320
Streets - Highways	30.7	29.3	29.8
Respondent N	114	222	336
Law Enforcement	38.4	45.6	43.2
Respondent N	112	228	340
Colleges - Universities	16.7	14.9	15.6
Respondent N	108	194	302
Health Care - Hospitals	16.7	19.7	18.7
Respondent N	108	218	326
Energy Programs	24.7	13.6	17.4
Respondent N	97	191	288
Public Transportation	21.7	21.0	21.2
Respondent N	106	200	306
Prisons	24.0	18.1	20.2
Respondent N	100	177	277
Programs for the Elderly	33.1	33.8	33.5
Respondent N	118	237	355
Industrial Growth	45.6	39.4	41.7
Respondent N	114	198	312
Parks and Recreation	11.2	8.9	9.7
Respondent N	116	225	341
Tourism	15.3	12.0	13.2
Respondent N	111	208	319

List of reports already released using data gathered in the 1982 Nebraska Annual Social Indicators Survey. These may be purchased at the indicated price from the Bureau of Sociological Research at the University of Nebraska-Lincoln.

Report Number	Title
1.	Designs, Procedures, Instruments and Forms for the 1982 NASIS. Helen A. Moore. Price: $7.50.
2.	Attitudes Toward Social Security. Warren Luckner. Price: $1.25.
3.	Community Colleges and Higher Education. Helen A. Moore. Price: $1.00.
4.	The Status of Older Nebraskans. Jane C. Ollenburger and the Bureau of Sociological Research. Price: $1.50.
5.	Social Responses to Scarcity. Alan Booth. Price: $1.00.
6.	A Look at Nebraskan's Favorite Outdoor Recreational Activities. David R. Johnson and Laurie K. Scheuble. Price: $.75.